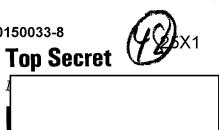
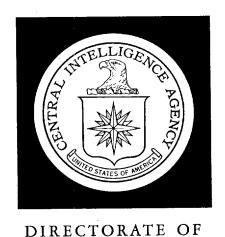
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INTELLIGENCE

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# MEMORANDUM

Developments in Indochina

**Top Secret** 

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## DEVELOPMENTS IN INDOCHINA

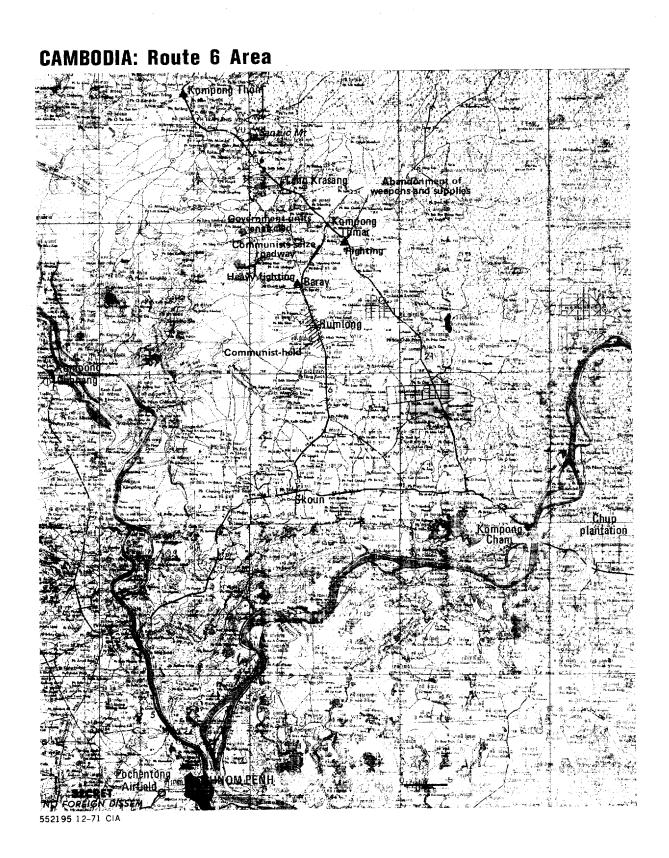
(Information as of 1500)

#### CAMBODIA

The government's Chenla II forces are losing ground to the Communists along Route 6 in the vicinity of Kompong Thmar.

#### SOUTH VIETNAM

President Thieu is moving quietly to form a new political party responsive only to him. No public announcements are expected for several months.



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### CAMBODIA

The Communists are resuming the offensive against the Chenla II forces. The US defense attaché reports that the Communists have captured a portion of Route 6 south of the town of Kompong Thmar, isolating the government base at Baray where heavy fighting also appears to have broken out. In addition, US aerial observers have reported that there is heavy fighting along Route 21 southeast of the town and that government units have abandoned weapons, ammunition, and vehicles while retreating from enemy attacks.

In resuming the offensive, the Communists may be trying to take advantage of the diversion of almost 20 battalions of government troops, including several elite Khmer Krom units, to the defense of Phnom Penh. There are about 16,000 government troops in the Chenla II force, but the northern elements are cut off and dependent on aerial resupply. The government had hoped to build a series of strongpoints along the road but is unlikely to be able to defend such isolated positions if the Communists keep up the pressure.

The recent fighting in the Kompong Thmar area suggests that the Communists will not be diverted in the near future by the South Vietnamese offensive east of the Mekong. If the Communists continue to attack the Chenla II force, Phnom Penh will probably ask Saigon to send troops west of the Mekong as the South Vietnamese did last year at this time.

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#### SOUTH VIETNAM

President Thieu is moving finally from the talk stage to behind-the-scenes actions that may pave the way for a government political party.

Since his re-election, Thieu is known to have admitted some 16 members, mostly pro-government Lower House deputies, into a new "Democracy Party" in private ceremonies in the palace. These members, who signed a strict loyalty oath, reportedly are now out secretly recruiting others for the new party, which probably will not be launched publicly for some months.

The most interesting feature of this latest political project is the departure it represents from Thieu's earlier practice of trying to build a government party by merging existing anti-Communist parties and groups. In the past, such efforts by the President have quickly collapsed, because most of the country's traditional parties have narrow bases of popular support and have been too jealous of one another to cooperate effectively. Several clandestine reports indicate that the new party will draw selected individuals from existing parties, but there will be no wholesale mergers, and it will also look for members with no party affiliation.

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will become a mass organization with a broad following throughout the country. He is wary, however, of opening the party up to such an extent that he loses control or that it becomes just another forum for South Vietnam's countless feuding factions. Consequently, the plans call for party representatives in each village, but Thieu intends to have a small elite in Saigon keep a tight rein.

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All of this, of course, is still largely in the planning stages. Thieu has started ambitious political ventures in the past and quickly lost interest when his plans cracked up on South Vietnam's endemic factionalism. This time Thieu could have greater success in forming a more tightly knit political organization that would help him compete with the non-Communist opposition. This would be so if he bases it, as reports suggest he is doing, on the far-flung governmental machinery which has at times served him as a political party. Thieu used the government organs with heavy handed but nonetheless impressive effectiveness recently in orchestrating his own re-election. As President he controls large resources and power that can be used to bring people into line, and many South Vietnamese would be attracted to such an organization in the hope of sharing the spoils.

There remain, however, serious questions as to whether Thieu will be able to form a party which can attract a large measure of popular support. Factionalism and the many sources of dissatisfaction that work against such a venture are a reality with which Thieu must live. Building genuine popular support would depend in large part on whether the government genuinely sought to work through the party in improving the livelihood of the people. The party will no doubt call for a hard line against the Communists (the Four No's from Thieu's campaign speeches). This essentially negative stand will bring him support from a considerable part of the population if it appears that the result could be at least a measure of security and peace. Some positive programs that give the population some reason to expect that Thieu can bring a measure of prosperity and a better life are needed. Thieu has been groping for such programs but has a long way to go to convince many South Vietnamese.

In the view of many observers, a signal South Vietnamese weakness against the Communists has been the inability of Saigon to develop a disciplined, motivated, and extensive political organization that can compete successfully with the Communists. As the war moves toward more intensive political competition and perhaps toward an end to hostilities, the formation of an effective political group to compete with the Viet Cong will become of great importance. And Thieu doubtless has this very much in mind in this new party venture.

